

Jesse N. Silverman, Esquire (VA 46456)
BALLARD SPAHR LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
Telephone: (215) 864-8127
Facsimile: (215) 864-9035

-and-

Ivan M. Gold, Esquire
ALLEN MATKINS LECK GAMBLE MALLORY
& NATSIS LLP
Three Embarcadero Center, 12th Floor
San Francisco, CA 94111
Telephone: (415) 273-7431
Facsimile: (415) 837-1516

Attorneys for Bear Valley Road Partners, LLC, GMS Golden Valley
Ranch, LLC, Laguna Gateway Phase 2, LP, Manteca Stadium Park, L.P.,
and Sweetwater Associates Limited Partnership

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re	:	Case No. 08-35653-KRH
	:	Chapter 11
CIRCUIT CITY STORES, INC., <u>et al.</u>	:	
	:	(Jointly Administered)
	:	
Debtors.	:	Status Conference Date: 9/22/2009 @ 11:00 a.m. ET
	:	
	:	
	:	

**RESPONSE OF BEAR VALLEY ROAD PARTNERS, LLC, LAGUNA GATEWAY
PHASE 2, LP, GMS GOLDEN VALLEY RANCH, LLC, MANTECA STADIUM PARK,
L.P., AND SWEETWATER ASSOCIATES LIMITED PARTNERSHIP TO DEBTORS'
THIRTY-FIFTH OMNIBUS OBJECTION TO CLAIMS (DISALLOWANCE OF
CERTAIN DUPLICATE CLAIMS)**

Bear Valley Road Partners, LLC, GMS Golden Valley Ranch, LLC, Laguna Gateway
Phase 2, LP, Manteca Stadium Park, L.P., and Sweetwater Associates Limited Partnership,
former lessors of Debtors at various shopping center locations and claimants herein (the
"Responding Landlords"), by and through their undersigned counsel, hereby object to the

Debtors' Thirty-Fifth Omnibus Objection To Claims (Disallowance of (I) Certain Amended Claims and (II) Certain Duplicate Claims) [Docket No. 4599] (the “Thirty-Fifth Claim Objection”). As discussed below, the Thirty-Fifth Claim Objection, asserting that Responding Landlords filed two proofs of claims against the same Debtor asserting the same liability, the amount and basis of which are the subject of the original claims. As discussed below, each of the proofs of claim of Responding Landlords that are the subject of the Thirty-Fifth Claim Objection are Requests For Allowance and Payment of Administrative Expense Claims filed against debtor Circuit City Stores West Coast, Inc. for post-petition rent and charges. According to Debtors, duplicate claims were purportedly filed by each of the Responding Landlords on June 30, 2009. Responding Landlords assert that they did not file duplicate claims and that the alleged duplication is the result of a processing or indexing error by Debtors' claims processing agent. In any event, counsel for Debtors and Responding Landlords are working on stipulations that will consensually resolve the issue raised by the Thirty-Fifth Claim Objection and other matters relating to Responding Landlords' administrative priority claims.

BACKGROUND

1. Circuit City Stores, Inc., and its affiliated co-debtors (the “Debtors”), filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code on November 10, 2008. The Debtors have continued to operate their business and manage their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

2. Responding Landlords are each former lessors of Debtors with respect to now-rejected retail leases as follows: (1) Bear Valley Road Partners, LLC, Debtors' Store No. 450, 12133 Mall Boulevard, Victorville, California (lease rejected effective March 10, 2009); (2) GMS Golden Valley Ranch LLC, Debtors' Store No. 3745, The Plaza at Golden Valley, Santa Clarita, California (rejected effective January 16, 2009); (3) Laguna Gateway Phase 2 LP, Debtors' Store No. 250, Laguna Gateway Shopping Center, Elk Grove, California (rejected effective March 10, 2009); (4) Manteca Stadium Park L.P., Debtors' Store No. 4131, Manteca Stadium Center, Manteca, California (rejected effective March 12, 2009); and (5) Sweetwater

Associates Limited Partnership, Debtors' Store No. 432, Sweetwater Crossings Shopping Center, National City, California (rejected effective March 10, 2009).

3. On April 1, 2009, this Court entered an *Order Establishing Omnibus Objection Procedures and Approving the Form and Manner of Notice of Omnibus Objections* [Docket No. 2881] (the "Omnibus Objection Procedures Order").¹

4. On June 30, 2009, each of the Responding Landlords filed Requests For Allowance and Payment of Administrative Expense Claims in In re Circuit City Stores West Coast, Inc., Case No. 08-35654-KRH.

5. On June 23, 2009, the Debtors filed their Thirty-Fifth Claim Objection, asserting that the Responding Landlords "filed two (2) or more proofs of claim, or portions thereof, against the same Debtor, asserting the same liability, the amounts and basis of which are the subject of the original claims" and that "[s]uch repetitive claims should be disallowed." (Thirty-Fifth Claim Objection at ¶13).

6. As set forth in the Twenty-Second Objection, the Debtors seek the disallowance of the following administrative priority claims of Responding Landlords filed against Circuit City Stores West Coast, Inc. ("Claim To Be Disallowed" as identified in Exhibit D).

¹ Debtors previously agreed that Responding Landlords need not submit declarations and other evidence in connection with their response to the Thirty-Fifth Claim Objection, as may otherwise be provided by the Omnibus Objection Procedures Order. This Response is filed pursuant to an extension of time granted by Debtors' counsel.

Claim Debtor Asserts Should Be Disallowed	Claim Debtor Asserts is Surviving Claim
Claim No. 14073 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Bear Valley Road Partners, LLC Amount: \$36,335.39 (administrative)	Claim No. 14065 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Bear Valley Road Partners, LLC Amount: \$36,335.39 (administrative)
Claim No. 14072 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: GMS Golden Valley Ranch, LLC Amount: \$5,264.55 (administrative)	Claim No. 14067 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: GMS Golden Valley Ranch, LLC Amount: \$5,264.55 (administrative)
Claim No. 14068 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Laguna Gateway Phase 2 LP Amount: \$58,908.69 (administrative)	Claim No. 14066 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Laguna Gateway Phase 2 LP Amount: \$58,908.69 (administrative)
Claim No. 14077 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Manteca Stadium Park L.P. Amount: \$52,683.77 (administrative)	Claim No. 14069 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Manteca Stadium Park L.P. Amount: \$52,683.77 (administrative)
Claim No. 14076 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Sweetwater Associates Limited Partnership Amount: \$40,928.54 (administrative)	Claim No. 14074 Date Filed: June 30, 2009 Debtor: Circuit City Stores West Coast, Inc. Creditor: Sweetwater Associates Limited Partnership Amount: \$40,928.54 (administrative)

7. In addition, the Debtors assert that the claims that are the subject of the Thirty-Fifth Objection may be subject to additional subsequently filed objections.

8. Responding Landlords assert that they did not file "Duplicate Claims" on June 30, 2009. Given the proximity of the claim numbers assigned to the allegedly Duplicate Claims of Responding Landlords, in some cases as little as two numbers apart, and the fact that the

allegedly Duplicate Claims were all filed the same day, Responding Landlords believe that the appearance of the Duplicate Claims asserted in the Thirty-Fifth Claim Objection is the result of a processing or indexing error by Kurtzman Carson Consultants LLC, Debtors' claims, noticing and balloting agent.

9. Counsel for Responding Landlords are engaged in discussions with Debtors' counsel aimed at finalizing stipulations that will resolve the issue of their alleged duplicate Request For Allowance and Payment of Administrative Expense Claims as well as other issues with respect to the administrative expense claims of the Responding Landlords. Responding Landlords are confident that those communications will result in a consensual resolution, rendering any contested hearing unnecessary.

RESERVATION OF RIGHTS

Should Debtors seek to modify the relief sought by the Thirty-Fifth Claim Objection, the Responding Landlords reserve the right to make such other and further arguments and submit such evidence as may be appropriate.

REQUEST FOR HEARING

Pursuant to Local Bankruptcy Rule 3007-1(B), Responding Landlords request that the Court set a "holding date" for hearing on their Response to Debtors' Thirty-Five Claim Objection on a date and time to be set by this Court consistent with the Court's Omnibus Objection Procedures Order or agreement of the parties to monitor the completion of the parties' contemplated stipulations.

Dated: September 16, 2009

Respectfully submitted,

/s/ Jesse N. Silverman

Jesse N. Silverman, Esquire (VA 46456)
BALLARD SPAHR LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
Telephone: (215) 864-8127
Facsimile: (215) 864-9035
E-mail: silvermanj@ballardspahr.com

-and-

Ivan M. Gold, Esquire
ALLEN MATKINS LECK GAMBLE MALLORY
& NATSIS LLP
Three Embarcadero Center, 12th Floor
San Francisco, CA 94111
Telephone: (415) 273-7431
Facsimile: (415) 837-1516
Email: igold@allenmatkins.com

Attorneys for Bear Valley Road Partners, LLC, GMS Golden Valley Ranch, LLC, Laguna Gateway Phase 2, LP, Manteca Stadium Park, L.P., and Sweetwater Associates Limited Partnership

CERTIFICATE OF SERVICE

I, hereby certify that on the 16th day of September, 2009 a true and accurate copy of the foregoing Response of Bear Valley Road Partners, LLC, Laguna Gateway Phase 2, LP, GMS Golden Valley Ranch, LLC, Manteca Stadium Park, L.P., and Sweetwater Associates Limited Partnership to Debtors' Thirty-Fifth Omnibus Objection to Claims (Disallowance of Certain Duplicate Claims) was electronically filed with the Court, which causes notices of electronic filing to be served on all registered users of the ECF system that have filed notices of appearance in this case.

/s/ Jesse N. Silverman
Counsel